GIBRALTAR MINES LIMITED ANNUAL REPORT 1977

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GIBRALTAR MINES LIMITED

DIRECTORS

ROSS G. DUTHIE,
Vancouver, B.C.
President & Chief Executive Officer, Placer Development Limited

ALBERT E. GAZZARD,
Vancouver, B.C.
Director, Placer Development Limited

*ROBERT A. MATTHEWS,
Vancouver, B.C.
Manager, Ram Investments Ltd.

THOMAS H. McCLELLAND,
Vancouver, B.C.
Chairman of the Board, Placer Development Limited

JOHN M. McCONVILLE,
Vancouver, B.C.
Vice-President, Administration and General Counsel, Placer Development Limited

*JAMES L. McPHERSON,
Vancouver, B.C.
Senior Vice-President, Placer Development Limited

*ARTHUR K. POUSSETTE,
Vancouver, B.C.
Retired

**Member of the Audit Committee*

OFFICERS

ROSS G. DUTHIE, *President*
JAMES L. McPHERSON, *Vice-President*
ANTHONY J. PETRINA, *Vice-President, Operations*
DONALD HALLAM, *Secretary*
JOHN RACICH, *Treasurer*
HOWARD F. GOUGEON, *Comptroller*
JOHN A. ECKERSLEY, *Assistant Secretary*

DEPARTMENT HEADS

J. D. WRIGHT, *Mine Manager*
D. G. BAILEY, *Mine Superintendent*
J. C. CHAPMAN, *Chief Engineer*
E. BRISBANE, *Plant Superintendent*
T. CHADWICK, *Chief Accountant*

OFFICES

Head Office:
700 Burrard Building
1030 West Georgia Street
Vancouver, B.C. V6E 3A8
Tel: (604) 682-7082
Telex: 04-55181

Mine Office:
P.O. Box 130
McLeese Lake, B.C. V0L 1P0

AUDITORS

Price Waterhouse & Co.
Chartered Accountants, Vancouver, B.C.

REGISTRAR AND TRANSFER AGENT

Guaranty Trust Company of Canada,
Vancouver and Toronto

METRICATION

Canada is committed to adopting the metric system by 1980, and the first steps towards metrication in Gibraltar's operations were commenced on January 1, 1978. In this annual report for 1977, imperial units continue in primary use with metric equivalents for significant figures appearing in the Highlights, opposite. In next year's annual report, primary reference will be in metric units and imperial equivalents will appear only in the Highlights section. In the annual report for 1979 and subsequent years, metric units alone will be used.

VALUATION DAY

On December 22, 1971, established as valuation day by the Department of National Revenue, the price of the Company's Common Shares was $4.70 per share.

ANNUAL MEETING

The Annual General Meeting of Shareholders will be held at 11:00 a.m. on Thursday, April 6, 1978 in the Alouette Room, Hotel Vancouver, 900 West Georgia Street, Vancouver, B.C.

BANKERS

Canadian Imperial Bank of Commerce
The Bank of Nova Scotia

LISTINGS

Toronto Stock Exchange
Vancouver Stock Exchange

STATISTICS

	Three Months Ended June 30, 1977	Six Months Ended June 30, 1977	Six Months Ended June 30, 1976
Production:			
Ore milled — tons	3,261,000	6,700,000	2,845,000
Average daily throughput — tons	35,800	37,000	31,600
Grade — % copper	0.39	0.42	0.45
Recovery of copper — %	84.06	83.82	82.75
Concentrate produced — tons	36,100	81,800	40,500
Concentrate grade — % copper	29.42	28.68	26.43
Copper produced — pounds	21,239,000	46,903,000	21,412,000
Concentrate inventory, end of period — tons	18,600	18,600	19,800
Sales:			
Concentrate sold — tons	25,300	84,500	30,650
Copper price:			
Average, per pound on London Metal Exchange - U.S.c	62.17	63.86	62.84

(tons = short dry tons)

AR35

File

Gibraltar Mines Limited

Second Interim Report '77

To June 30, 1977

TO THE SHAREHOLDERS GIBRALTAR MINES LIMITED:

Net earnings for the six months ended June 30, 1977 were $1,302,000 or $0.11 per share. This compares with a loss of $364,000 or $0.03 per share recorded in the first half of 1976 when earnings were affected by a 19-week strike at the mine.

Second quarter operations resulted in a loss of $987,000 or $0.09 per share due largely to the low price of copper on the London Metal Exchange (L.M.E.) and to the lower grade of ore processed during the three-month period.

Continued high inventories held by smelters and metal exchanges have caused the price of copper, which was already low, to decline further. On the date of this report the L.M.E. price was U.S. 56c per pound.

Production of molybdenum as a by-product has resumed. This production does not have a significant effect on the Company's earnings.

R.G. Duthie
President

Vancouver, B.C.
July 18, 1977

STATEMENT OF EARNINGS *(Unaudited)*

	Three Months Ended June 30, 1977	Six Months Ended June 30, 1977	Six Months Ended June 30, 1976
	(in thousands)		
Revenues:			
Concentrate sales	$6,109	$22,087	$7,865
Interest and other income	135	492	593
	6,244	22,579	8,458
Expenses:			
Cost of concentrate sold	6,599	17,242	6,608
Depreciation and depletion	1,215	2,440	2,507
General and administrative	188	378	372
	8,002	20,060	9,487
Earnings (loss) before taxes	(1,758)	2,519	(1,029)
Income and resource taxes	(771)	1,217	(665)
Net earnings (loss)	$ (987)	$ 1,302	$ (364)
Earnings (loss) per share	$ (0.09)	$ 0.11	$ (0.03)
Dividends per share	$ 0.15	$ 0.30	-

STATEMENT OF CHANGES IN FINANCIAL POSITION *(Unaudited)*

	Six Months Ended June 30, 1977	1976
	(in thousands)	
Financial resources were provided by:		
Net earnings (loss)	$ 1,302	$ (364)
Add (deduct) items not involving working capital:		
Depreciation and depletion	2,440	2,507
Deferred income and resource taxes	1,167	(351)
Other	(62)	(128)
Total from operations	4,847	1,664
Disposal of property, plant and equipment	112	277
	4,959	1,941
Financial resources were used for:		
Dividends	3,423	-
Buildings and equipment	641	191
Other	(112)	247
	3,952	438
Increase in working capital	1,007	1,503
Working capital — beginning of period	19,830	16,049
Working capital — end of period	$20,837	$17,552

Approved by the Board

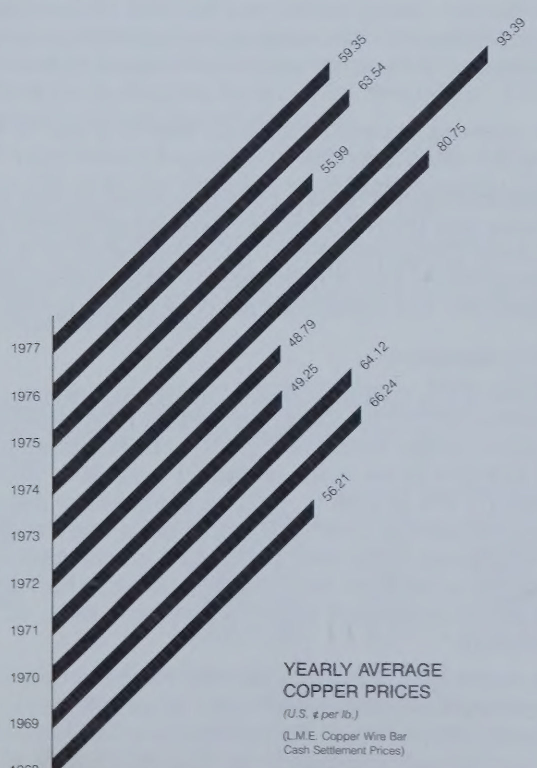
R.G. DUTHIE, Director

J.L. McPHERSON, Director

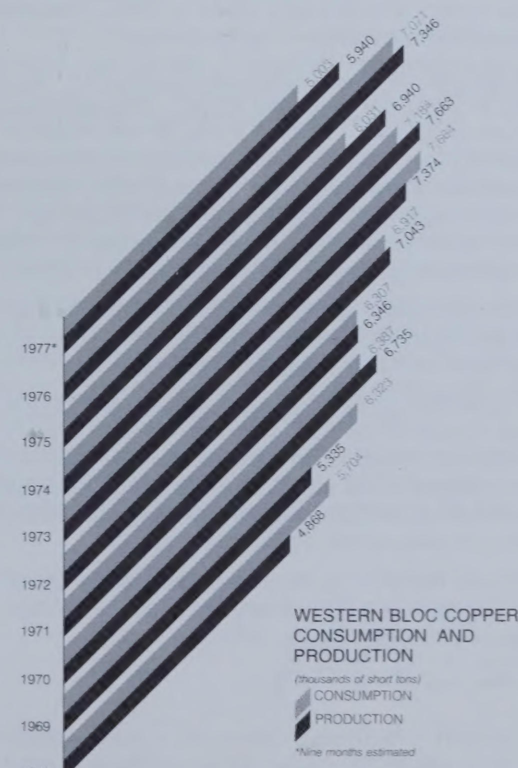
HIGHLIGHTS

	Year Ended December 31, 1977		1976	
FINANCIAL				
Sales	**$40,452,000**		$26,570,000	
Income and resource taxes	**$ (227,000)**		$ 419,000	
Net earnings (loss)	**$ (142,000)**		$ 943,000	
Earnings (loss) per share	**$ (0.01)**		$ 0.08	
Dividends	**$ 5,706,000**		$ 1,712,000	
Dividends per share	**$ 0.50**		$ 0.15	
Working capital	**$18,655,000**		$19,830,000	
Common shares outstanding	**11,411,469**		11,411,469	
Number of shareholders	**2,731**		2,659	
PRODUCTION	**Imperial**	**Metric**	Imperial	Metric
Ore milled — tons	**14,071,000**	**12,765,000**	8,457,000	7,672,000
Average daily throughput — tons	**38,800**	**35,200**	35,900	32,600
Average grade of ore milled — % copper	**0.38**	**0.38**	0.45	0.45
Recovery of copper — %	**82.06**	**82.06**	83.55	83.55
Copper concentrate produced — tons	**154,500**	**140,200**	122,400	111,000
Average grade of concentrate — % copper	**28.08**	**28.08**	26.01	26.01
Copper produced — pounds/kilograms	**86,782,000**	**39,364,000**	63,703,000	28,895,000
Number of employees	**533**	**533**	487	487
MARKETING				
Copper concentrate sold — tons	**159,400**	**144,600**	112,200	101,800
COPPER PRICE				
Average, per pound on London Metal Exchange — U.S.¢	**59.35**		63.54	

(Imperial tons = short dry tons;
Metric tonnes = dry metric tonnes)



YEARLY AVERAGE COPPER PRICES
(U.S. ¢ per lb.)
(L.M.E. Copper Wire Bar Cash Settlement Prices)



WESTERN BLOC COPPER CONSUMPTION AND PRODUCTION
(thousands of short tons)
*Nine months estimated

DIRECTORS' REPORT TO SHAREHOLDERS

The Company experienced difficult conditions in 1977 as a result of the low price of copper.

Operations for the year resulted in a loss of $142,000 or $0.01 per share on revenues of $41,247,000. This compares with 1976 net earnings of $943,000 or $0.08 per share and revenues of $27,537,000. A 19-week strike by mine employees in 1976 affected all comparative figures for that year.

The price of copper on the London Metal Exchange (L.M.E.), at an average of U.S. 59¢ per pound through the year, was not sufficient to cover operating costs including depreciation and depletion. Currently the price of copper is such that revenues are barely able to meet the costs of production and are not sufficient to generate the funds required for overburden and waste removal from ore zones to be mined in the future. Should the poor copper markets of the past three years continue through 1978, shareholders must face the possibility that the mine could be forced to cease operations in 1980. Employees were informed of the situation in early December.

Dividends of 50¢ per share, amounting to $5,706,000 (1976 — 15¢ per share, $1,712,000) were paid in 1977. This represents a rate of return equal to 8.4% (1976 — 2.4%) of shareholders' equity outstanding during the year. Dividends were in excess of operating cash flow and were the major factor in the decline of the cash position to $6,452,000 (1976 — $12,470,000) at December 31, 1977. The average return on short and medium term investments during the year was 8.2% (1976 — 8.8%).

The Company's operations are subject to Anti-Inflation Board regulations with respect to profits, wages and dividends and were in compliance with those regulations during 1977.

Inflation and economic recession have seriously eroded the ability of many Canadian mines to operate profitably and the very high tax burden imposed on them has further magnified their problems. Mining is the most heavily taxed of Canadian industries and new exploration and mineral development have been seriously curtailed in this country as a result.

Your Directors are hopeful that recent appeals made on behalf of the British Columbia mining industry will produce a more satisfactory level of taxation for the industry.

Marketing

A moderate economic recovery in almost all industrialized countries in 1977 was accompanied by an increase of approximately 6% in the consumption of copper. Although this brought the Western Bloc's total consumption to about 7,600,000 tons, which is approximately in balance with production, the large inventory of refined copper remained virtually unchanged through the year. For this reason, the average L.M.E. price remained low at U.S. 59¢ per pound through the year.

Western Bloc production in 1978 may be only modestly higher than in 1977, but the actual level will depend greatly on whether production cutbacks in North America, Zambia and Australia are continued. Overall, production seems likely to fall short of consumption in 1978 by 100,000 to 300,000 tons, which could permit a moderate improvement in the L.M.E. price to the U.S. 60¢-65¢ per pound range. Such prices would, however, still be below the level required to ensure economic operation of the Company's mine.

Delivery of copper concentrate to Gibraltar's several smelter customers proceeded routinely and without interruption through the year and the same pattern is expected to hold through 1978.

At year-end, copper concentrate inventory was 16,700 tons (1976 — 20,600 tons).

Molybdenite concentrate produced at the mine is being sold to the Endako Mines Division of Placer Development Limited at the "Climax Concentrate Price" for molybdenum as published in *Metals Week*. This is currently U.S. $4.01 per pound, less a penalty for any copper content in excess of 0.10%.

Mine operations

During 1977, a total of 14,253,000 tons of ore was mined (1976 — 8,523,000 tons). The average daily production of ore and waste was 89,000 tons (1976 — 67,000 tons) at a strip ratio of 1.35 tons of low-grade and waste material for each ton of ore mined (1976 — 0.85:1). The average grade of ore was 0.38% copper (1976 — 0.45%). The strip ratios and ore grades encountered in the initial years of operations have been better than the anticipated long-term strip ratio of 2.35:1 and ore grade of 0.37% copper, but will approach these levels as mining proceeds.

During August and September the Pollyanna Stage I pit replaced the Granite Lake Stage I pit as the main source of ore. Initial production from the Pollyanna pit was below average grade, but will gradually increase to 0.39% copper.

GIBRALTAR MINES LIMITED

Stage I mining of the Pollyanna pit will continue into the third quarter of 1979 when the Gibraltar East Stage II pit is scheduled to reach sufficient volume to sustain mill throughput. Before that time, however, it will be necessary to upgrade the present fleet of 27 ore trucks by the addition of four new units and to prepare the Stage II ore zone for mining through removal of 11,500,000 tons of overburden. The cost of these preparations is estimated at approximately $14,500,000. The feasibility of alternative methods has been studied, and hydraulic removal of the overburden, at lower cost, is currently being evaluated.

Concentrator

Operating at an average throughput of 38,800 tons per day (1976 — 35,900 tons), the concentrator processed a total of 14,071,000 tons of ore in 1977 (1976 — 8,457,000). Copper concentrate production was 154,500 tons (1976 — 122,400 tons) containing a total of 86,782,000 pounds of copper (1976 — 63,703,000 pounds). Recovery, at 82.06% (1976 — 83.55%), was reduced in the latter part of the year due to the treatment of low-grade, highly oxidized material from the near-surface zone of the Pollyanna pit. During this same period, throughput increased appreciably because of softer ore.

The price of molybdenum improved in 1977 and the circuit was reactivated from March through August to produce 311,000 pounds of molybdenum in concentrate (1976 — nil). Molybdenum grades in the mill feed fluctuate considerably and as a result, the recovery circuit is operated only on an intermittent basis. This is likely to be the pattern of molybdenum recovery through the mine's life.

Reserves

Mineralized reserves on December 31, 1977 at a cut-off grade of 0.25% copper and a strip ratio of 2.35:1 were estimated to be:

Zone	*Tons*	*% copper*	*% molybdenum*
Gibraltar East	115,000,000	0.36	0.013
Granite Lake	87,000,000	0.35	0.014
Pollyanna	75,000,000	0.36	0.018
Gibraltar West	9,000,000	0.40	0.014
Total	286,000,000	0.37	0.016

In previous reports the Company has referred to its reserves as mineable ore reserves. As these reserves cannot presently be mined and sold at a profit because of current economic conditions, the present title "mineralized reserves" is more appropriate. The tonnage finally mined and processed will be determined by future copper prices, operating costs and taxes as mining proceeds.

Leases held by Cuisson Lake Mines Ltd. (in which Gibraltar has a 40.53% interest) covering part of the Granite Lake zone contain approximately 12,000,000 tons of material above 0.25% copper which are not included in the above total. In 1977, 275,000 tons of Cuisson ore were mined prior to the discontinuance of Stage I mining in the Granite Lake zone. The balance will be processed in the sequence established by the overall mining plan covering the life of the mine.

Employee and community relations

At year-end there were 533 persons employed (1976 — 487) at an annual payroll and benefits cost of $10,535,000 (1976 — $6,553,000). The average annual income per employee in 1977 was $19,500 (1976 — estimated, $17,150).

The current labour agreement with members of Local 18, Canadian Association of Industrial, Mechanical and Allied Workers, is effective to February 28, 1978. Negotiations for a new agreement commenced in early February.

The journeyman training programme was continued as an effective counter to the chronic shortage of qualified tradesmen. This programme augments the apprentice training programme which has been in use at the mine for some years and is operated in co-operation with the provincial government.

In addition to regular inspections of mining operations by various government departments, the mine continuously monitors all safety and environmental aspects of its activities. It was in compliance with all such regulations of the provincial and federal governments during the year.

Four scholarships were awarded to students in the Williams Lake area and at the B.C. Institute of Technology in Burnaby. The total annual value of this programme is $4,700.

On behalf of the Board,

R. G. Duthie
President

Vancouver, B.C.
February 17, 1978

BALANCE SHEET

	December 31, 1977	1976
ASSETS		
CURRENT ASSETS:		
Cash and time deposits	**$ 4,962,000**	$ 9,927,000
Marketable securities, at cost which approximates market value	**1,490,000**	2,543,000
Accounts receivable	**6,237,000**	4,547,000
Receivable from associated companies	**242,000**	53,000
Concentrate inventories	**3,548,000**	3,213,000
Materials and supplies	**5,253,000**	5,091,000
	21,732,000	25,374,000
OTHER ASSETS:		
Deposits and mortgages receivable	**728,000**	877,000
Mineral royalties recoverable (Note 3)	**894,000**	921,000
	1,622,000	1,798,000
PROPERTY, PLANT AND EQUIPMENT:		
Buildings and equipment (Note 2)	**42,616,000**	46,236,000
Mining properties and development, at cost less accumulated depletion of $3,231,000 (1976 — $2,669,000)	**8,227,000**	8,799,000
	50,843,000	55,035,000
	$74,197,000	$82,207,000

	December 31, 1977	December 31, 1976
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	**$ 2,623,000**	$ 4,558,000
Income and resource taxes payable	**454,000**	986,000
	3,077,000	5,544,000
DEFERRED INCOME AND RESOURCE TAXES	**5,888,000**	5,583,000
SHAREHOLDERS' EQUITY:		
Share capital —		
Authorized, 12,000,000 common shares of 50¢ par value;		
Issued, 11,411,469 shares	**5,647,000**	5,647,000
Retained earnings	**59,585,000**	65,433,000
	65,232,000	71,080,000
	$74,197,000	$82,207,000

Approved by the Board:
R. G. Duthie, *Director*
J. L. McPherson, *Director*

STATEMENT OF EARNINGS

	Year ended December 31, 1977	1976 (Note 5)
REVENUES:		
Concentrate sales	**$40,452,000**	$26,570,000
Interest and other income	**795,000**	967,000
	41,247,000	27,537,000
EXPENSES:		
Cost of concentrate sold	**35,998,000**	20,686,000
Depreciation and depletion	**4,698,000**	4,960,000
Loss (gain) on disposal of property, plant and equipment	**173,000**	(155,000)
General and administrative	**747,000**	684,000
	41,616,000	26,175,000
EARNINGS (LOSS) BEFORE TAXES	**(369,000)**	1,362,000
INCOME AND RESOURCE TAXES:		
Current	**(532,000)**	(550,000)
Deferred	**305,000**	969,000
	(227,000)	419,000
NET EARNINGS (LOSS)	**$ (142,000)**	$ 943,000
Earnings (loss) per share	**$ (0.01)**	$ 0.08

STATEMENT OF RETAINED EARNINGS

	Year ended December 31, 1977	1976
Retained earnings, beginning of year	**$65,433,000**	$66,202,000
Net earnings (loss)	**(142,000)**	943,000
	65,291,000	67,145,000
Dividends — $0.50 per share (1976 — $0.15)	**5,706,000**	1,712,000
Retained earnings, end of year	**$59,585,000**	$65,433,000

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31, 1977	1976
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net earnings (loss)	**$ (142,000)**	$ 943,000
Add (deduct) items not involving working capital —		
Depreciation and depletion	**4,698,000**	4,960,000
Deferred income and resource taxes	**305,000**	969,000
Loss (gain) on disposal of property, plant and equipment	**173,000**	(155,000)
Total from operations	**5,034,000**	6,717,000
Disposal of property, plant and equipment	**293,000**	348,000
Deposits and mortgages receivable	**149,000**	(50,000)
Mineral royalties recoverable	**27,000**	(921,000)
	5,503,000	6,094,000
FINANCIAL RESOURCES WERE USED FOR:		
Dividends	**5,706,000**	1,712,000
Buildings and equipment	**972,000**	601,000
	6,678,000	2,313,000
Increase (decrease) in working capital	**(1,175,000)**	3,781,000
Working capital, beginning of year	**19,830,000**	16,049,000
Working capital, end of year	**$18,655,000**	$19,830,000
INCREASE (DECREASE) IN WORKING CAPITAL:		
Cash and time deposits	**$ (4,965,000)**	$ 2,707,000
Marketable securities	**(1,053,000)**	634,000
Accounts receivable	**1,690,000**	(154,000)
Receivable from associated companies	**189,000**	(150,000)
Concentrate inventories	**335,000**	1,283,000
Materials and supplies	**162,000**	249,000
Accounts payable and accrued liabilities	**1,935,000**	(1,365,000)
Income and resource taxes payable	**532,000**	577,000
Increase (decrease) in working capital	**$ (1,175,000)**	$ 3,781,000

NOTES TO FINANCIAL STATEMENTS December 31, 1977 and 1976

1. ACCOUNTING POLICIES:

Foreign currencies –

Accounts in foreign currencies are translated into Canadian dollars. Current assets and current liabilities are translated at year-end rates. Revenues and expenses are translated at the rates applicable at the time of the relevant transactions.

Inventory valuation –

Concentrate is valued at the lower of cost and net realizable value; cost is determined on a first-in, first-out basis. Materials and supplies are valued at the lower of moving average cost and replacement cost.

Depreciation and depletion –

Depreciation is provided over the estimated useful lives of the assets on the following bases:

a) buildings and machinery on a straight-line basis at the rate of 5% per annum, and
b) mobile equipment on a diminishing-balance basis at rates of 15% to 36% per annum.

Depletion of the cost of mining properties and development is provided on a straight-line basis over twenty years, which is less than the estimated life of the mine.

Revenue –

Concentrate revenue is recognized at the time of sale. However, concentrate sales not finalized at year-end have been recorded at prices estimated to be in effect on finalization dates.

Deferred income and resource taxes –

The Company records income and resource taxes on the tax allocation basis. Under this method, taxes are determined from accounting income, not taxable income. Differences arise when some costs, principally depreciation and depletion, are reflected in different time periods for accounting purposes than for tax purposes. The tax effect of these timing differences is shown in the financial statements as deferred income and resource taxes.

2. BUILDINGS AND EQUIPMENT:

	December 31,	
	1977	1976
Cost —		
Buildings and machinery	**$52,046,000**	$52,047,000
Mobile equipment	**15,572,000**	15,450,000
	67,618,000	67,497,000
Accumulated depreciation —		
Buildings and machinery	**14,489,000**	11,945,000
Mobile equipment	**10,513,000**	9,316,000
	25,002,000	21,261,000
Net book value	**$42,616,000**	$46,236,000

3. INCOME AND RESOURCE TAXES:

In 1976, the Mineral Resource Tax Act was enacted. This has had the effect on the Company of removing the previously applicable provincial royalties, effective January 1, 1976, and replacing the previously applicable provincial mining tax with an increased tax on net mining income. During 1976, however, it was necessary to continue making mineral royalty payments but these are recoverable as tax credits in future years to the extent of one-third of mineral resource taxes otherwise payable each year.

At December 31, 1977, earned depletion of approximately $14,000,000 (1976 — $13,700,000) is available to reduce income taxes in future years.

4. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS:

Aggregate direct remuneration paid in 1977 by the Company to its directors and senior officers amounted to $194,000 (1976 — $185,000) of which $14,000 (1976 — $14,000) consisted of fees paid to directors.

5. OPERATIONS:

Normal mine operations were halted by a labour strike which lasted from March 19, 1976 to July 29, 1976.

6. PRICE AND INCOME CONTROLS:

The Company is subject to, and believes it has complied with, controls on profit, compensation and dividends under the provisions of the Federal Government's anti-inflation programme. The effects of the profit controls on the Company have not been significant at current copper price levels. Under the present anti-inflation legislation, dividends paid during the year ended October 13, 1978 may not exceed $1.14 per share.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF
GIBRALTAR MINES LIMITED:

We have examined the balance sheet of Gibraltar Mines Limited as at December 31, 1977 and the statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

January 25, 1978
Vancouver, B.C.

PRICE WATERHOUSE & CO.
Chartered Accountants

SIX YEAR SUMMARY

Years Ended December 31	**1977**	**1976**	**1975**	**1974**	**1973**	**1972***
Sales	$ 40,452,000	$ 26,570,000	$ 39,556,000	$ 61,367,000	$ 96,836,000	$ 29,457,000
Cost of concentrate sold	35,998,000	20,686,000	32,352,000	30,140,000	26,518,000	12,863,000
Depreciation and depletion	4,698,000	4,960,000	5,320,000	5,298,000	6,081,000	4,211,000
Interest on long-term debt	—	—	—	—	3,395,000	3,352,000
Income and resource taxes	(227,000)	419,000	2,008,000	8,866,000	7,799,000	319,000
Net earnings (loss)	$ (142,000)	$ 943,000	$ (376,000)	$ 17,302,000	$ 52,509,000	$ 8,352,000
Earnings (loss) per share	$ (0.01)	$ 0.08	$ (0.03)	$ 1.52	$ 4.60	$ 0.73
Dividends per share (11,411,469 shares outstanding)	$ 0.50	$ 0.15	—	$ 1.00	—	—
Ore milled — tons	14,071,000	8,457,000	11,451,000	13,397,000	15,082,000	10,862,000
Average grade of ore milled — % copper	0.38	0.45	0.43	0.40	0.48	0.46
Copper concentrate produced — tons	154,500	122,400	158,700	166,800	212,400	132,100
Copper produced — pounds	86,782,000	63,703,000	83,559,000	90,246,000	121,801,000	80,023,000

(tons = short dry tons)

**Operations commenced in 1972; accordingly, the fiscal year covers only the nine months ended December 31, 1972.*

GIBRALTAR
MINES LIMITED

LITHO'D IN CANADA
AGENCY PRESS LIMITED